

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTHCARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

2. STATE:

11 - 11

Michigan

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
September 30, 2011

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 447.201

7. FEDERAL BUDGET IMPACT:

a. FFY 12 \$ -0-

b. FFY 13 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-A, Page 24e

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

N/A - new page

10. SUBJECT OF AMENDMENT:

Redistribution of DSH

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Stephen Fitton, Director

Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Stephen Fitton

14. TITLE:

Director, Medical Services Administration

15. DATE SUBMITTED:

September 29, 2011

16. RETURN TO:

Medical Services Administration
Actuarial Division - Federal Liaison
Capitol Commons Center - 7th Floor
400 South Pine
Lansing, Michigan 48933

Attn: Loni Hackney

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPE NAME:

22. TITLE:

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

***Methods and Standards for Establishing Payment Rates
Inpatient Hospital Care***

4. REDISTRIBUTION OF DSH FUNDS

SHOULD THE STATE, UPON RETROSPECTIVE REVIEW, AUDIT, OR RECEIPT OF SUBSEQUENT INFORMATION, DETERMINE THAT ANY HOSPITAL HAS BEEN PAID IN EXCESS OF ITS HOSPITAL-SPECIFIC DSH LIMIT, THE STATE WILL RECOUP ALL PAYMENTS (STATE AND FEDERAL) THAT EXCEED ANY HOSPITAL'S DSH LIMIT AND WILL REDISTRIBUTE THE FUNDS AS FOLLOWS:

- THE STATE PSYCHIATRIC HOSPITALS WILL BE RANKED BASED ON AVAILABLE DSH CAPACITY FOR THE YEAR OF THE RECOUPMENT. BEGINNING WITH THE HOSPITAL WITH THE HIGHEST DSH CAPACITY EACH STATE PSYCHIATRIC HOSPITAL WILL RECEIVE DSH REDISTRIBUTION PAYMENT IN AN AMOUNT EQUAL TO THE FACILITY'S TOTAL DSH LIMIT MINUS ANY DSH PAYMENT PREVIOUSLY RECEIVED FOR THE SAME PERIOD.
- SHOULD ALL RECOUPED DSH FUNDS NOT BE FULLY EXPENDED DURING REDISTRIBUTION TO STATE PSYCHIATRIC HOSPITALS, THE REMAINING DSH HOSPITALS WILL RECEIVE A PORTION OF THE RECOUPED FUNDS BASED ON THE PROPORTIONAL SHARE OF THE DSH CAPACITY AFTER RECOUPMENT.
- THE FEDERAL PORTION OF ANY PAYMENTS RECOUPED, BUT NOT REDISTRIBUTED BASED ON THE PROCESS ABOVE, WILL BE RETURNED TO THE FEDERAL GOVERNMENT THROUGH AN ADJUSTMENT IN CLAIMING.

TN NO.: 11-11

Approval Date: _____

Effective Date: 09/30/2011

Supersedes
TN No.: New